



Senate

General Assembly

File No. 283

February Session, 2008

Substitute Senate Bill No. 631

Senate, March 31, 2008

The Committee on Environment reported through SEN. MEYER of the 12th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

***AN ACT AUTHORIZING THE ISSUANCE OF BONDS OF THE STATE
FOR INCREASED STATE PARK FUNDING.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (*Effective July 1, 2008*) (a) For the purposes described in
2 subsection (b) of this section, the State Bond Commission shall have
3 the power, from time to time, to authorize the issuance of bonds of the
4 state in one or more series and in principal amounts not exceeding in
5 the aggregate twenty-seven million dollars.

6 (b) The proceeds of the sale of said bonds, to the extent of the
7 amount stated in subsection (a) of this section, shall be used by the
8 Department of Environmental Protection, for the purposes of
9 increasing state park vehicle and equipment and operational budgets,
10 and increasing the number of full-time and seasonal state park staff, as
11 per the Clough, Harbor Associates, LLP 2003 report on Connecticut
12 state parks.

13 (c) All provisions of section 3-20 of the general statutes, or the

14 exercise of any right or power granted thereby, which are not
15 inconsistent with the provisions of this section are hereby adopted and
16 shall apply to all bonds authorized by the State Bond Commission
17 pursuant to this section, and temporary notes in anticipation of the
18 money to be derived from the sale of any such bonds so authorized
19 may be issued in accordance with said section 3-20 and from time to
20 time renewed. Such bonds shall mature at such time or times not
21 exceeding twenty years from their respective dates as may be provided
22 in or pursuant to the resolution or resolutions of the State Bond
23 Commission authorizing such bonds. None of said bonds shall be
24 authorized except upon a finding by the State Bond Commission that
25 there has been filed with it a request for such authorization which is
26 signed by or on behalf of the Secretary of the Office of Policy and
27 Management and states such terms and conditions as said commission,
28 in its discretion, may require. Said bonds issued pursuant to this
29 section shall be general obligations of the state and the full faith and
30 credit of the state of Connecticut are pledged for the payment of the
31 principal of and interest on said bonds as the same become due, and
32 accordingly and as part of the contract of the state with the holders of
33 said bonds, appropriation of all amounts necessary for punctual
34 payment of such principal and interest is hereby made, and the State
35 Treasurer shall pay such principal and interest as the same become
36 due.

This act shall take effect as follows and shall amend the following sections:

Section 1	July 1, 2008	New section
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ENV *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 09 \$	FY 10 \$
Treasurer, Debt Serv.	GF - Cost	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill authorizes \$27.0 million in General Obligation (GO) bonds to the Department of Environmental Protection (DEP) for: (1) capital expenses such as the purchase of state park vehicles, equipment, and (2) operating expenses such as hiring full-time and seasonal park staff.

The total General Fund debt service cost for principal and interest payments on \$27.0 million over 20 years, assuming a 5.0% interest rate, is \$41.2 million. The first year that the state will experience costs associated with the bonds depends on when they are allocated through the State Bond Commission and when DEP begins expending them.

The Clough, Harbor Associates, LLP 2003 report referenced in the bill recommends increasing: (1) state park vehicle, equipment, and operational budgets, and (2) the number of full-time and seasonal state park staff to 1,943 seasonal staff and 204 full-time staff.

Currently, DEP has 183 full-time park staff and employs 284 full-time equivalent seasonal staff. If DEP chooses to increase its park staff to the number recommended by the report, the agency would hire an additional 21 full-time staff and 1,659 full-time equivalent seasonal workers. This would result in an estimated annual cost of \$7.7 million

for salary and fringe benefits¹ in FY 09 and \$8.3 million in FY 10.

The estimate assumes that: (1) the full-time staff would be hired for a full 12 months and receive an average annual salary of \$48,426 plus fringes and (2) seasonal staff would be hired for the 3-month summer season and receive \$10.25 per hour for a 35-hour work week (seasonal staff do not receive fringe benefits). Both fringe benefits and salaries would be paid out of the bond funds.

The Out Years

The ongoing fiscal impact for the \$27 million in GO bonds is the General Fund debt service payments over 20 years.

Since the bill only provides a one-time revenue source of \$27 million in GO bonds, it is unclear how the salaries for the full-time park staff would be paid in future fiscal years after these funds are expended.

¹ The fringe benefit costs for state employees are budgeted centrally in the Miscellaneous Accounts administered by the Comptroller. The first year fringe benefit costs for new positions do not include pension costs. The estimated first year fringe benefit rate as a percentage of payroll is 25.36%. The state's pension contribution is based upon the prior year's certification by the actuary for the State Employees Retirement System (SERS). The SERS fringe benefit rate is 33.27%, which when combined with the rate for non-pension fringe benefits totals 58.63%.

OLR Bill Analysis

sSB 631

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STATE FOR INCREASED STATE PARK FUNDING.***

SUMMARY:

The Office of Legislative Research does not analyze Special Acts.

COMMITTEE ACTION

Environment Committee

Joint Favorable Substitute

Yea 27 Nay 0 (03/12/2008)